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REFERENCE TITLE: **luxury tax; liquor wholesalers**

State of Arizona
Senate
Forty-seventh Legislature
First Regular Session
2005

SB 1169

Introduced by
Senators Martin, Harper, Miranda; Representatives Huffman, Reagan: Senator
Verschoor; Representatives Burges, Meza, Quelland

AN ACT

**AMENDING SECTIONS 4-243.01, 42-3353 AND 42-3354, ARIZONA REVISED STATUTES;
RELATING TO LIQUOR WHOLESALERS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 4-243.01, Arizona Revised Statutes, is amended to
3 read:

4 4-243.01. Purchasing from other than primary source of supply
5 unlawful: definitions

6 A. It is unlawful:

7 1. For any supplier to solicit, accept or fill any order for any
8 spirituous liquor from any wholesaler in this state unless the supplier is
9 the primary source of supply for the brand of spirituous liquor sold or
10 sought to be sold and is duly licensed by the board.

11 2. For any wholesaler or any other licensee in this state to order,
12 purchase or receive any spirituous liquor from any supplier unless the
13 supplier is the primary source of supply for the brand ordered, purchased or
14 received.

15 3. Except as provided by section 4-243.02 for a retailer to order,
16 purchase or receive any spirituous liquor from any source other than any of
17 the following:

18 (a) A wholesaler who has purchased the brand from the primary source
19 of supply.

20 (b) A wholesaler who is the designated representative of the primary
21 source of supply in this state and who has purchased such spirituous liquor
22 from the designated representative of the primary source of supply within or
23 without this state.

24 (c) A registered retail agent pursuant to section 4-101.

25 (d) A domestic farm winery or domestic microbrewery licensed under
26 section 4-205.04.

27 B. All spirituous liquor shipped into this state shall be invoiced to
28 the wholesaler by the primary source of supply. ~~Beer~~ ALL SPIRITUOUS LIQUOR
29 shall be unloaded and remain at the wholesaler's premises for at least
30 twenty-four hours. A copy of each invoice shall be transmitted by the
31 wholesaler and the primary source of supply to the department of revenue.

32 C. The director may suspend for a period of one year the license of
33 any wholesaler or retailer who violates ~~the provisions of~~ this section.

34 D. Upon determination by the department of revenue that a primary
35 source of supply has violated ~~the provisions of~~ this section, no wholesaler
36 may accept any shipment of spirituous liquor from such primary source of
37 supply for a period of one year.

38 E. For the purposes of this section:

39 1. "Primary source of supply" means the distiller, producer, owner of
40 the commodity at the time it becomes a marketable product, bottler or
41 exclusive agent of any such distributor or owner. In the case of imported
42 products, the primary source of supply means either the foreign producer,
43 owner, bottler or agent or the prime importer from, or the exclusive agent
44 in, the United States of the foreign distiller, producer, bottler or owner.

45 2. "Wholesaler" means any person, firm or corporation that is licensed
46 in this state to sell to retailers and is engaged in the business of

1 warehousing and distributing brands of various suppliers to retailers
2 generally in the marketing area in which the wholesaler is located.

3 Sec. 2. Section 42-3353, Arizona Revised Statutes, is amended to read:
4 42-3353. Return and payment by malt liquor wholesalers

5 A. Every wholesaler of ~~vinous-or~~ malt liquors purchasing ~~vinous-or~~
6 malt liquors for resale within the state shall pay the tax under this chapter
7 on all such liquors so purchased and add the amount of the tax to the sales
8 price.

9 B. The wholesaler shall pay the tax to the department monthly on or
10 before the twentieth day of the month next succeeding the month in which the
11 tax accrues.

12 C. On or before that date the wholesaler shall prepare a sworn return
13 for the month in which the tax accrues in the form prescribed by the
14 department, showing:

15 1. The amount of ~~vinous-and~~ malt liquors purchased during the month in
16 which the tax accrues.

17 2. The amount of tax for the period covered by the return.

18 3. Any other information that the department deems necessary for the
19 proper administration of this chapter.

20 D. The taxpayer shall deliver the return, together with a remittance
21 of the amount of the tax due, to the department.

22 E. Any taxpayer who fails to pay the tax within ten days from the date
23 upon which the payment becomes due shall be subject to and shall pay a
24 penalty determined under section 42-1125, plus interest at the rate
25 determined pursuant to section 42-1123 from the time the tax was due and
26 payable until paid.

27 Sec. 3. Section 42-3354, Arizona Revised Statutes, is amended to read:
28 42-3354. Return and payment by spirituous or vinous liquor

29 wholesalers

30 A. Every wholesaler of spirituous **OR VINOUS** liquors selling spirituous
31 **OR VINOUS** liquors within the state shall pay the tax under this chapter on
32 all such liquor sold within the state and add the amount of the tax to the
33 sales price.

34 B. The wholesaler shall pay the tax to the department monthly on or
35 before the twentieth day of the month next succeeding the month in which the
36 tax accrues.

37 C. On or before that date the wholesaler shall prepare a sworn return
38 for the month in which the tax accrues in the form prescribed by the
39 department, showing:

40 1. The amount of spirituous **OR VINOUS** liquors sold in this state
41 during the month in which the tax accrues.

42 2. The amount of tax for the period covered by the return.

43 3. Any other information that the department deems necessary for the
44 proper administration of this chapter.

45 D. The wholesaler shall deliver the return, together with a remittance
46 of the amount of the tax due, to the department.

1 E. Any taxpayer who fails to pay the tax within ten days from the date
2 upon which the payment becomes due shall be subject to and shall pay a
3 penalty determined under section 42-1125, plus interest at the rate
4 determined pursuant to section 42-1123 from the time the tax was due and
5 payable until paid.